Qatar

Doha Bank

Tickers:
DOBA.QA (Reuters)
DHBK QD (Bloomberg)

Listing:
Doha Securities Market

Fair Value:
QR55.7

CMP:
QR35.7 (as of June 18, 2009)

June, 2009

Buy

Key Data

Mkt Cap# (QR mn)	6,456.7
EPS* (QR)	6.0
BVPS* (QR)	24.4
P/E (x)	6.0
P/BV (x)	1.5
12M Avg. daily vol.	476,610
52 week Hi / Lo (QR)	84.3 / 22.4

*Source: **Global** Research*
 # As of June 18, 2009
** Projected for FY2009*

Highlights

- **Doha Bank's** total interest income from conventional banking activities grew by18.4% to QR1,986.0mn in 2008. The bank's net income from Islamic financing and investing activities grew by 22.1% to QR182.0mn.

- The total assets of the bank grew by 29.8% in 2008 to QR39.0bn. Among the major asset components, gross loans & advances grew by 24.5% to QR24.5bn. Out of the total loan portfolio, QR3.3bn accounted by Islamic financing activities which were at QR2.5bn in 2007.

- Among the components of liabilities, the share of customer deposits (including unrestricted investment accounts) in total liabilities was at 59.7% in 2008 as compared to 66.7% in the preceding year. It registered a y-o-y growth of 16.1% to QR23.3bn. Unrestricted investment deposits increased during the year by 183.0% to stood at QR1.04bn.

- In 2008 the bank registered a y-o-y growth of 2.2% in its bottomline to QR946.5mn. In 2008, the bank's provisions for credit losses on loans & advances was at QR56.9mn which was at QR20.9mn in 2007. Its net impairment losses on financial investments grew significantly to QR131.5mn in 2008 from QR37.2mn in 2007.

- At the end of Q1-2009, on a y-t-d basis, total assets increased by 3.6% to QR42.2bn, net loans & advances grew by 1.1% to QR24.2bn and customer deposits declined by 6.3% to QR21.8bn.

- Based on the current market price of QR35.7 per share (as on June 18, 2009), Doha Bank is trading at (2009E) P/E and P/BV multiples of 6.0x and 1.5x, respectively. Our estimated value for Doha Bank worked out to be QR55.7 based on DDM (80%) and adaptation of the Gordon Growth Model (20%). According to our fair value the scrip offers an upside of 56.0% at the current price (June 18, 2009) of QR35.7 per share. We, therefore, reiterate a "**BUY**" on the bank at the current price level.

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Recent Developments

- Doha Bank allotted 20% additional share capital to Qatar Investment Authority (QIA) in accordance with the shareholders approval of the extra ordinary general assembly held on December 21, 2008. As a part of additional share capital, the bank received a payment for 5% of the capital from QIA towards additional share capital including share premium. This is as part of the government's announcement, in October 2008, to buy 10% - 20% of the capital of listed banks through issuance of new shares. Toward this end, the state owned sovereign wealth fund, Qatar Investment Authority, has already subscribed to the extent of 5% of the capital of some of the banks and another 5% is being planned for December 2009. The subscription for the shares has been done as per the closing price of the bank's share on DSM as of October 12, 2008.

- As a measure to support its banking sector, in March 2009, the government of Qatar came up with a plan to buy banks' DSM investment portfolios in a bid to revive lending and support the economy. In accordance with this, During Q1-2009, Doha Bank decided to take up the government of Qatar's offer to buy its Qatar equity investment portfolio. During the quarter, Doha Bank transferred its entire portfolio of Qatar equities to the government of Qatar of the amount of QR536.6mn.

- In May 2009, Qatar government announced that it will spend QR15bn (US$4.1bn) on acquiring the real-estate portfolios of nine local banks to boost the domestic real-estate sector. The move involves the government taking over the real-estate investment portfolios of Qatar National Bank, Commercial Bank of Qatar, Doha Bank, International Bank of Qatar, Qatar International Islamic Bank, Qatar Islamic Bank, Masraf Al Rayan, Ahli Bank and Al Khaliji Bank.

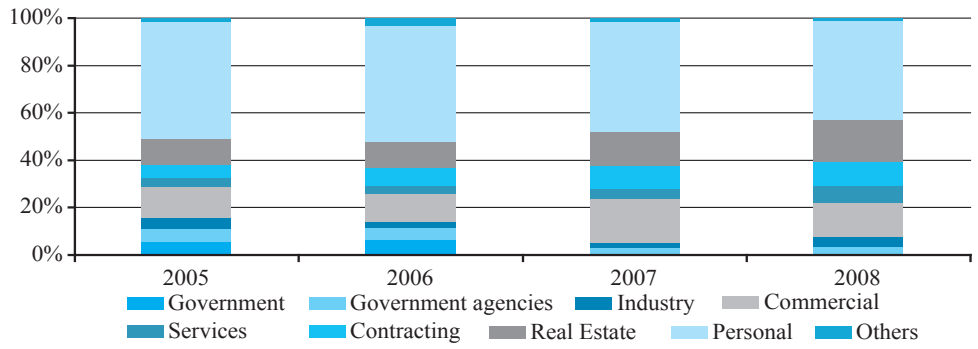
Doha Bank - Analysis of 2008 and Q1-2009 Financial Results

- The total assets of the bank grew by 29.8% in 2008 to QR39.0bn. Among the major asset components, gross loans & advances grew by 24.5% to QR24.5bn. Out of the total loan portfolio, QR3.3bn accounted by Islamic financing activities which were at QR2.5bn in 2007. Funds with banks & FIs increased by 52.1% in 2008 to QR7.9bn. Net loans & advances accounted for 61.4% of total assets.

- Among the components of liabilities, the share of customer deposits (including unrestricted investment accounts) in total liabilities was at 59.7% in 2008 as compared to 66.7% in the preceding year. It registered a y-o-y growth of 16.1% to QR23.3bn. Unrestricted investment deposits increased during the year by 183.0% to stood at QR1.04bn. The bank also has borrowings to the tune of QR1.2bn which represents subordinated notes raised by the bank in 2006. The notes have maturity of 10 years from the date of issue. The contribution of shareholders' equity in total liabilities remained at 10.4% in 2008 to QR4.1bn.

- The bank's loan portfolio is highly concentrated to three sectors, namely Personal, Real Estate and Commercial. Personal loans segment has highest contribution to the total loan portfolio, though it declined from 46.0% in 2007 to 41.6% in 2008. The y-o-y growth in the segment was 12.3% to QR10.3bn. The bank's exposure to Real Estate sector accounted for 17.9% of the total loan portfolio and it grew by 50.7% to QR4.4bn. Its exposure to the Commercial segment stood at QR3.6bn, registered a marginal decline of 1.3% and accounted for 14.7% of the total loan portfolio. Exposure to the government sector grew by 143.7% in 2008 to QR160mn and its contribution to the total loan portfolio increased from 0.3% in 2007 to 0.6% in 2008.

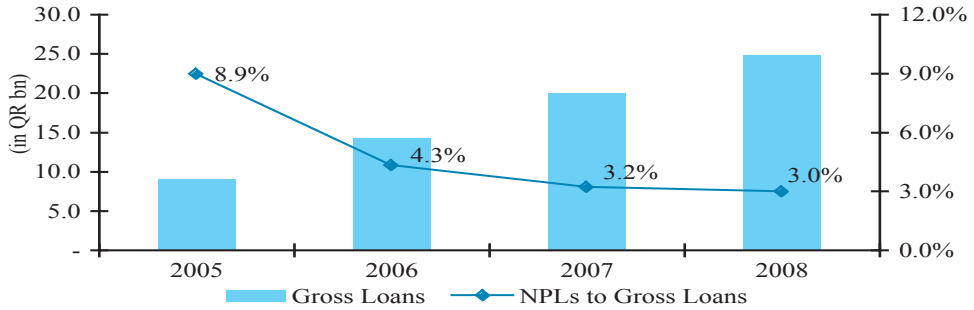
Chart 01: Sectoral Distribution of Doha Bank's Loan Portfolio



*Source: Doha Bank Annual Reports and **Global** Research*

- Over the last three years, the bank has witnessed significant decline in its NPLs as a percentage of gross. In 2008, its NPLs grew by 15.6% to QR723.7mn from QR626.0mn in 2007. NPLs as a percentage of gross loans declined to 3.0% in 2008 from 3.2% in 2007. However, the bank's coverage to its NPLs has been declining which was at 77.9% in 2008 as compared to 89.3% in 2007.

Chart 02: Quality of Loan Portfolio



*Source: Doha Bank Annual Reports and **Global** Research*

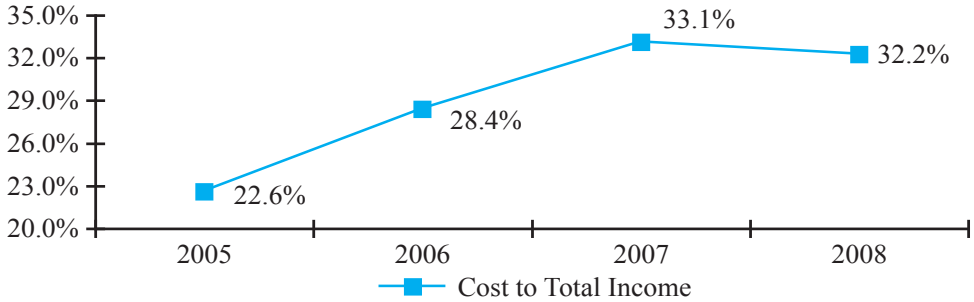
– During 2008, the total interest income of the bank from conventional banking activities grew by18.4% to QR1,986.0mn. Among the major components of gross interest income, interest from loans & advances grew by 28.3% to QR1,626.1mn while interest on funds due from banks & other FIs declined marginally by 24.6% to QR209.0mn, while interest income from bonds grew by 11.1% to QR132.6mn. Doha Bank's net income from Islamic financing and investing activities grew by 22.1% to QR182.0mn.

– Among the major components of non-interest revenue, the bank registered a y-o-y growth of 14.3% in fees & commission income to QR339.9mn, gains on financial instruments declined by 18.1% to QR172.5mn, and profit on foreign exchange declined by 24.7% to QR56.4mn.

– In 2008, the bank's yield on interest earning assets declined from 7.8% in 2007 to 7.3% in 2008, however, the bank was able to improve its net spread from 3.2% in 2007 to 3.4% in 2008 as its cost of funds also declined from 4.6% in 2007 to 3.9% in 2008. The bank's net interest margin improved marginally from 3.5% in 2007 to 3.6% in 2008.

– The cost to total income ratio of the bank declined from 33.1% in 2007 to 32.2% in 2008. Total operating expenses of the bank grew by 21.3% in 2008 to QR539.8mn from QR487.4mn in 2007.

Chart 03: Cost to total income



*Source: Doha Bank Annual Reports and **Global** Research*

– The bank registered a y-o-y growth of 2.2% in its bottomline to QR946.5mn over QR926.5mn reported in 2007. In 2008, the bank's provisions for credit losses on loans & advances was at QR56.9mn which was at QR20.9mn in 2007. Its net impairment losses

on financial investments grew significantly to QR131.5mn in 2008 from QR37.2mn in 2007. The significant amount of these provisions have been made during last quarter of 2008. On quarter on quarter basis, the bank registered a drop of 55.7% in its profit in Q4-2008 and on y-o-y basis profit declined by 54.7% to QR112.7mn.

- In 2008, the bank's Return on Average Equity (RoAE) and Return on Average Assets (RoAA) declined to 26.4% and 2.7% from 31.8% and 3.6% in 2007 respectively.

- In 2008, the bank's Tier 1 capital ratio increased to 11.07% from 10.02% in 2007 while its total capital ratio was at 13.48% in 2008 as compared to 15.54% in 2007. The minimum accepted capital adequacy ratio is 10% under Qatar Central Bank requirements and 8% under Basel Committee on Banking supervision requirements.

- At the end of Q1-2009, on a y-t-d basis, total assets increased by 3.6% to QR42.2bn, net loans & advances grew by 1.1% to QR24.2bn and customer deposits declined by 6.3% to QR21.8bn.

- During Q1-2009, the government of Qatar purchased certain available for sale equity securities listed on DSM amounting to QR536.6mn. According to the agreement with the government, the bank is eligible to repurchase those investments at the same price within a period of 5 years.

- During Q1-2009, interest income from conventional banking activities grew by 10.7% y-o-y to QR525.9mn while interest expense registered a y-o-y decline of 0.2% to QR259.0mn. With this the net interest income of the bank registered a y-o-y growth of 23.7% to QR266.9mn. The bank's net income from Islamic financing activities grew by 30.3% to QR58.3mn. It reported a y-o-y growth of 20.3% in its net profit to QR329.7mn as compared to QR274.0mn reported in Q1-2008. The net premium income, from its 100% subsidiary Doha Bank Assurance Company, made a significant contribution in Q1-2009 of QR11mn up from QR187,000 in Q1-2008. The other operating also went up significantly from QR3.8mn in Q1-2008 to QR37.0mn in Q1-2009.

Outlook & Valuation

- The factors pertaining to Qatar economy appears bright supported by increased government as well as private sector investments. Qatar is the least affected country in the Gulf from the global financial crisis. The country has significant expansion plans to increase the production of LNG over the next 3 years. Apart from this, in its 2009-2010 budget, Qatar has allocated 40 percent of expenditure for strategic development, which will ensure that the economy will remain upbeat. At the same time timely action by the government to improve liquidity and confidence building measures will definitely help the economy to remain on track.

- The liquidity infusing measures such as recapitalization of the bank, buying of investment portfolio and acquisition of Real Estate portfolio are confidence building measures enacted by the government. The raising of capital through various modes allowed the bank to leverage its balance sheet. This ensures that it is adequately capitalized at all times to meet the diverse needs of its expanding business. Though, Doha Bank has been comfortably meeting CAR requirements, further capital infusion by QIA by the end of 2009 will take care of additional funding requirement.

- We believe that, going forward, quality of the loan book are likely to remain sound, however, looking at the operating environment it may witness some short term decline in its assets quality. At the same time, in the last two quarters the bank has also raised its provisioning levels to take care of any unexpected deterioration in asset quality, apart from this, buying of DSM equity portfolio and real estate loan portfolio by the government will further support the bank's asset quality.

- Based on the current market price of QR35.7 per share (as on June 18, 2009), Doha Bank is trading at (2009E) P/E and P/BV multiples of 6.0x and 1.5x, respectively.

Table 1: Valuation Summary

Valuation Methods	Fair Value/ Share (QR)	Weightage	Wighted Value (QR)
DDM	51.9	80%	41.5
GGM	70.9	20%	14.2
Estimated Fair Value			**55.7**

*Source: **Global** Research*

Our estimated value for Doha Bank worked out to be QR55.7 based on DDM (80%) and adaptation of the Gordon Growth Model (20%). According to our fair value the scrip offers an upside of 56.0% at the current price (June 18, 2009) of QR35.7 per share. We, therefore, reiterate a "**BUY**" on the bank at the current price level.

BALANCE SHEET

	Doha Bank						
Amount in Qatari Riyal '000	**2006**	**2007**	**2008**	**2009 (F)**	**2010 (F)**	**2011 (F)**	**2012 (F)**
Assets							
Cash & deposits with Central Banks	647,621	1,883,708	2,552,024	3,093,963	2,247,867	1,648,055	1,343,187
Due from Banks and Other FIs	4,466,222	5,228,040	7,949,767	9,937,209	11,527,162	13,371,508	15,510,949
Loans and advances (Gross)	14,217,687	19,699,259	24,529,263	28,208,652	33,850,383	39,435,696	44,956,694
Provisions	(587,628)	(559,256)	(563,518)	(662,248)	(760,414)	(839,286)	(906,721)
Other assets	173,514	393,536	647,883	829,290	1,036,613	1,295,766	1,619,708
Investment securities - Debt	1,681,633	2,060,289	2,207,993	2,548,337	2,854,137	3,168,092	3,516,582
Investment securities - Others	915,987	1,043,585	1,171,764	1,372,181	1,536,843	1,705,896	1,893,544
Financial Investments	2,597,620	3,103,874	3,379,757	3,920,518	4,390,980	4,873,988	5,410,127
Investment in associate company	-	10,256	12,231	12,032	13,115	14,033	15,015
net fixed assets	181,224	298,784	495,567	769,742	1,070,804	1,391,543	1,668,152
Total Assets	**21,696,260**	**30,058,201**	**39,002,974**	**46,109,159**	**53,376,509**	**61,191,303**	**69,617,111**
Liabilities							
Customer deposits	14,602,291	19,676,657	22,239,121	24,463,033	28,132,488	32,071,036	36,560,981
Due to banks and other financial institutions	1,950,984	4,370,915	8,160,567	12,648,879	14,925,677	17,164,529	19,224,272
Subordinated debt	1,231,910	1,231,317	1,232,079	1,101,794	1,101,794	1,101,794	1,101,794
Other liabilities	564,173	793,635	1,420,859	1,207,730	1,473,431	1,679,711	1,914,871
Proposed dividends	62,408	499,270	861,241	724,559	716,656	814,404	904,471
Total Liabilities	**18,411,766**	**26,571,794**	**33,913,867**	**40,145,995**	**46,350,046**	**52,831,474**	**59,706,390**
Absolute Investment Depositors' Accounts	578,908	366,705	1,037,593	1,556,390	2,023,306	2,529,133	3,009,668
Owner's Equity							
Paid-up equity capital	1,248,175	1,248,175	1,722,482	1,808,606	1,808,606	1,808,606	1,808,606
Advanced capital received			368,611		-	-	-
Statutory reserve	1,244,967	1,248,175	2,148,424	2,679,605	2,679,605	2,679,605	2,679,605
Risk reserve	146,532	280,431	352,431	352,431	352,431	352,431	352,431
Fair value reserve	65,912	70,454	(492,364)	(492,364)	(492,364)	(492,364)	(492,364)
Hedge reserve		(17,620)	(97,251)	(97,251)	(97,251)	(97,251)	(97,251)
Foreign currency translation reserve	-	-	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)
Proposed bonus shares	-	249,635	-	-	-	-	-
Retained earnings	-	40,452	52,162	158,728	755,110	1,582,649	2,653,006
Total Shareholder's Equity	**2,705,586**	**3,119,702**	**4,051,514**	**4,406,774**	**5,003,157**	**5,830,696**	**6,901,053**
Total Liabilities & Shareholders' Equity	**21,696,260**	**30,058,201**	**39,002,974**	**46,109,159**	**53,376,509**	**61,191,303**	**69,617,111**

*Source: Bank Reports and **Global** Research*

OPERATING STATEMENT

	Doha Bank						
Amount in Qatari Riyals '000	**2006**	**2007**	**2008**	**2009 (F)**	**2010 (F)**	**2011 (F)**	**2012 (F)**
Interest Income	1,063,259	1,676,990	1,985,968	2,184,301	2,478,932	2,785,003	3,105,549
Interest Expense	(539,803)	(993,163)	(1,060,497)	(1,174,062)	(1,363,413)	(1,524,789)	(1,731,344)
Net interest income	**523,456**	**683,827**	**925,471**	**1,010,239**	**1,115,519**	**1,260,214**	**1,374,206**
Add: Income from Islamic financing and investment activities	34,572	178,116	253,525	346,556	467,851	621,239	801,963
Less: Absolute investment depositors' share of profit & risk reserve	(21,434)	(29,083)	(71,518)	(108,947)	(146,690)	(196,008)	(240,773)
Add: Fees and commission	235,896	297,454	339,921	377,312	418,817	481,639	553,885
Add: Profit on Foreign Exchange	35,100	74,999	56,448	59,270	65,197	73,021	81,784
Add: Net Premium		79	16,718	49,318	71,511	96,540	130,329
Add: Net gains on financial instruments	217,535	210,756	172,515	114,478	141,815	210,778	323,950
Add: Income from associate company		444	(293)	249	336	454	613
Add: Dividend Income	9,349	22,353	15,544	32,932	23,053	39,236	44,498
Add: Net gain on derivatives	3,324	676	(64,951)	-	-	-	-
Add: Other income	13,864	32,660	31,806	41,666	49,999	58,999	67,849
Total Non-Interest Income	528,206	788,454	749,715	912,834	1,091,889	1,385,898	1,764,096
Total Operating Income	**1,051,662**	**1,472,281**	**1,675,186**	**1,923,074**	**2,207,408**	**2,646,111**	**3,138,302**
Less: Provision for loan losses	34,540	(20,885)	(56,934)	(98,730)	(98,166)	(78,871)	(67,435)
Less: Impairment losses on financial investments	(43,375)	(37,236)	(131,541)	(102,914)	(69,158)	(63,971)	(71,008)
Operating Income (net of provisions)	1,042,827	1,414,160	1,486,711	1,721,430	2,040,084	2,503,269	2,999,859
Less: Staff Cost	(141,877)	(215,576)	(261,474)	(299,999)	(349,874)	(426,024)	(513,112)
Less: General and Administrative Expenses	(131,570)	(238,077)	(235,842)	(288,461)	(309,037)	(357,225)	(423,671)
Less: Depreciation	(24,890)	(33,712)	(42,488)	(52,656)	(67,532)	(77,341)	(87,350)
Net Profit Before Taxation	744,490	926,795	946,907	1,080,313	1,313,641	1,642,679	1,975,726
Taxation	(521)	(331)	(405)	(494)	(603)	(735)	(897)
Net Profit	**743,969**	**926,464**	**946,502**	**1,079,819**	**1,313,039**	**1,641,943**	**1,974,828**
P&L Appropriation Account:							
Retained Earnings Broght Forward	47,206	-	40,452	52,162	158,728	755,110	1,582,649
Net Profit for the year	743,969	926,464	946,502	1,079,819	1,313,039	1,641,943	1,974,828
Proposed Dividend	(62,408)	(499,270)	(861,241)	(724,559)	(716,656)	(814,404)	(904,471)
Dividend Proposed by way of bonus share issue	-	(249,635)	-	-	-	-	-
Director Fees	(14,000)	-	-	-	-	-	-
Social contributions	(3,000)	-	-	-	-	-	-
Net movement in risk reserve	(65,918)	(133,899)	(72,000)	-	-	-	-
Trfr to Statutory Reserve	(645,849)	(3,208)	(1,551)	(248,695)	-	-	-
Cl Balance of Retained Earnings	-	40,452	52,162	158,728	755,110	1,582,649	2,653,006

*Source: Bank Reports and **Global** Research*

CASH FLOW STATEMENT

	Doha Bank						
Amount in Qatari Riyal '000	**2006**	**2007**	**2008**	**2009 (F)**	**2010 (F)**	**2011 (F)**	**2012 (F)**
Operating							
Operating Activities	539,801	795,978	941,082	1,231,205	1,478,736	1,798,156	2,129,614
Profit Before Taxation	744,490	926,795	946,907	1,080,313	1,313,641	1,642,679	1,975,726
Provision for imapirment of loans & advances	(34,540)	20,885	56,934	98,730	98,166	78,871	67,435
Profit on sale of property, furnitureand equipment	(98)	(12,216)	(84)	-	-	-	-
Profit on sale of financial investments	(217,535)	(209,611)	(172,515)	-	-	-	-
(Gain) loss on revaluation of investments and derivatives	(3,312)	(1,589)	(64,951)	-	-	-	-
Provision for impairment of investments	43,375	37,236	131,541	-	-	-	-
Depreciation	24,890	33,712	42,488	52,656	67,532	77,341	87,350
Amortisation of financing cost	52	766	762	-	-	-	-
Income Tax Settled	(521)	-	-	(494)	(603)	(735)	(897)
Director Fees	(14,000)	-	-	-	-	-	-
Social contributions paid	(3,000)	-	-	-	-	-	-
Net Increase/Decrease in Operating Activities	**(1,255,236)**	**998,556**	**(77,755)**	**1,169,653**	**(760,136)**	**(799,306)**	**(718,997)**
(Inc.) / Dec. in loans and advances to customers	(5,300,805)	(5,530,829)	(4,882,676)	(3,679,389)	(5,641,730)	(5,585,313)	(5,520,997)
(Inc.) / Dec. in due from banks and other financial institutions	(763,264)	(761,818)	(2,590,988)	(1,987,442)	(1,589,953)	(1,844,346)	(2,139,441)
Inc. / (Dec.) in Due to banks	566,988	2,419,931	3,789,652	4,488,312	2,276,798	2,238,852	2,059,743
Increase in customer deposits	4,132,354	4,862,163	3,233,352	2,742,709	4,136,372	4,444,375	4,970,480
(Inc.) / Dec. in other assets	(58,506)	(220,022)	(254,347)	(181,407)	(207,323)	(259,153)	(323,942)
Inc./ (Dec.) in other liabilities	167,997	229,131	627,252	(213,129)	265,701	206,280	235,160
Net cash from operatig activities	**(715,435)**	**1,794,534**	**863,327**	**2,400,859**	**718,600**	**998,850**	**1,410,617**
Investing activites							
Net movement in investments	(1,781,203)	(4,845,011)	(3,407,562)	(540,761)	(470,462)	(483,008)	(536,139)
Investment in associate Company	-	-	-	199	(1,083)	(918)	(982)
Proceeds from sale of financial Investments (net)	1,527,065	4,425,620	2,459,027	-	-	-	-
Acquisition of property, plants and equipment	(89,452)	(153,570)	(239,271)	(326,831)	(368,593)	(398,081)	(363,959)
Proceeds from sale of property, plants and equipment	98	14,514	84	-	-	-	-
Proceeds from disposal of derivatives	5,477	-	-	-	-	-	-
Total Investing	**(338,015)**	**(558,447)**	**(1,187,722)**	**(867,393)**	**(840,138)**	**(882,007)**	**(901,080)**
Financing activities							
Net proceeds from subordinated debt issued	1,231,858	-	1,123,370	(130,285)	-	-	-
Dividend paid	-	-	(499,270)	(861,241)	(724,559)	(716,656)	(814,404)
Advance capital received			368,611				
Total Financing	**1,231,858**	**-**	**992,711**	**(991,526)**	**(724,559)**	**(716,656)**	**(814,404)**
Net Change in Cash	178,408	1,236,087	668,316	541,939	(846,096)	(599,813)	(304,867)
Opening Cash balance	469,213	647,621	1,883,708	2,552,024	3,093,963	2,247,867	1,648,055
Net Cash at end	647,621	1,883,708	2,552,024	3,093,963	2,247,867	1,648,055	1,343,187

*Source: Bank Reports and **Global** Research*

Ratios

	Doha Bank						
	2006	2007	2008	2009 (F)	2010 (F)	2011 (F)	2012 (F)
Profitability Ratios							
- Return on Average Assets	4.0%	3.6%	2.7%	2.5%	2.6%	2.9%	3.0%
- Return on Average Equity	29.1%	31.8%	26.4%	25.5%	27.9%	30.3%	31.0%
- Net interest income/ Op. Income (net of provisions)	53.5%	46.9%	58.4%	53.0%	49.9%	47.2%	43.6%
- Non-interest income/ Total Op. Income	50.7%	55.8%	50.4%	53.0%	53.5%	55.4%	58.8%
Margins							
- Interest Expense to Interest Income	51.1%	55.1%	50.5%	50.7%	51.2%	50.5%	50.5%
- Interest Income to Average Interest Earning Assets	6.3%	7.8%	7.3%	6.7%	6.6%	6.5%	6.5%
- Interest Expense to Average Interest Bearing Liabilities	3.6%	4.6%	3.9%	3.5%	3.5%	3.5%	3.5%
- Net Spread	2.7%	3.2%	3.4%	3.2%	3.1%	3.1%	3.0%
- Net Interest Margin	3.1%	3.5%	3.6%	3.3%	3.2%	3.2%	3.2%
Efficiency							
- Cost to Total Income	28.4%	33.1%	32.2%	33.3%	32.9%	32.5%	32.6%
- Cost to Op Income	28.6%	34.5%	36.3%	37.2%	35.6%	34.4%	34.1%
- Staff Cost to Total Op. Income	13.6%	15.2%	17.6%	17.4%	17.1%	17.0%	17.1%
Liquidity							
- Loans to Interest Earning Assets	70%	73%	71%	69%	70%	70%	70%
- Loans to Customer Deposits	90%	95%	103%	106%	110%	112%	111%
- Due from Banks to Due to Banks	229%	120%	97%	79%	77%	78%	81%
Credit Quality							
- Non Performing Loans (QR'000)	609,500	626,000	723,700	904,625	1,103,643	1,236,080	1,372,048
- Loan Loss Reserve (QR'000)	587,628	559,256	563,518	662,248	760,414	839,286	906,721
- NPL's to Gross Loans	4.3%	3.2%	3.0%	3.2%	3.3%	3.1%	3.1%
- NPL's to (Equity+Loan loss reserve)	18.5%	17.0%	15.7%	17.8%	19.1%	18.5%	17.6%
- Loan Loss Reserve to Gross Loans	4.1%	2.8%	2.3%	2.3%	2.2%	2.1%	2.0%
- NPL Coverage	96.4%	89.3%	77.9%	73.2%	68.9%	67.9%	66.1%
Capital Adequacy							
- Equity to Total Assets	12%	10%	10%	10%	9%	10%	10%
- Equity to Gross Loans	19%	16%	17%	16%	15%	15%	15%
Constitution of Total Income							
- Interest Income to Total Op Income	50.6%	54.8%	61.8%	60.8%	62.2%	61.6%	59.9%
- Fees & Comm. to Total Op. Income	22.6%	21.0%	22.9%	21.9%	20.5%	19.2%	18.5%
- Investment Income to Total Op Income	21.8%	16.5%	12.6%	8.6%	8.1%	10.0%	12.3%
- FX Income to Total Op. Income	3.4%	5.3%	3.8%	3.4%	3.2%	2.9%	2.7%
- Other Income to Total Op. Income	1.6%	2.4%	-2.2%	2.4%	2.5%	2.4%	2.3%
- Net Premium to Total Op. Income	0.00%	0.01%	1.1%	2.9%	3.5%	3.9%	4.3%
- Income Associate Co. to Total Op. Income	0.00%	0.03%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Performance							
- Change in Interest Income	41.4%	41.9%	33.4%	12.1%	18.1%	21.4%	17.0%
- Change in Fees and Commission	34%	26%	14%	11%	11%	15%	15%
- Change in Investment Income	-43%	-3%	-18%	-34%	24%	49%	54%
- Change in Other Income	120%	136%	-3%	31%	20%	18%	15%
Shareholder's Data							
- EPS (QR)	6.0	7.4	5.5	6.0	7.3	9.1	10.9
- Book Value Per Share (QR)	21.2	21.0	23.5	24.4	27.7	32.2	38.2
- Market Price Year End (QR)	78.84	67.91	42.0	35.7	35.7	35.7	35.7
- P/E	13.2	9.1	7.6	6.0	4.9	3.9	3.3
- P/BV	3.7	3.2	1.8	1.5	1.3	1.1	0.9

** Market price for 2009 and subsequent years are as per closing prices on DSM on June 18, 2009.*
*Source: Bank Reports and **Global** Research*

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Company	Recommendation	Ticker	Price	Disclosure
Doha Bank	Buy	DOBA.QA (Reuters) DHBK QD (Bloomberg)	QR35.7	1, 10

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